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C O N F I D E N T I A L SECTION 01 OF 03 KATHMANDU 001496

SIPDIS

DEPT FOR SA/INS AND SA/RA LONDON FOR POL/GURNEY NSC FOR MILLARD PLEASE PASS TO USAID/ANE

E.O. 12958: DECL: 07/30/2013

TAGS: <u>PGOV PTER PINS CASC NP</u>
SUBJECT: NEPAL: MAOISTS ATTACK SECURITY FORCES; PRESSURING

THE PENDING PEACE TALKS

REF: A. A. KATHMANDU 1431 ¶B. B. KATHMANDU 1423

Classified By: DCM Robert K. Boggs for reasons 1.5 (b) and (d).

Summary

(U) Since their July 31 commitment to a third round of peace talks (ref A), the Maoists have increased activities in violation of the cease-fire code of conduct resulting in the deaths of 8 security personnel and one Maoist. Maoist violations could be a unilateral attempt to restrict the army to within 5 kilometers of their barracks. Coming on the heels of threats to American development projects in three districts north of Kathmandu (ref B), on August 2, Maoists extorted money from American student volunteers and on August 4 accused USAID of implementing projects in these districts designed to proselytize and convert Nepali Hindus to Christianity. Maoist aggressiveness is not limited to the U.S., the Australian Embassy reported two recent incidents against their projects. Post will continue to confer with non-governmental organizations and diplomatic missions to get a better understanding of the scope and depth of recent Maoist threats. End Summary.

Maoist Code of Conduct Violations

- (U) Since their July 31 announcement committing them to a third round of peace talks (ref A), the Maoists have increased the pace of their violations of the agreed code-of-conduct. In nine days, the press has reported that Maoists have ambushed government security patrols, stolen government funds for the poor, executed a police officer, and abducted both security personnel and civilians. The reported incidents are outlined below:
- -- July 31, Maoists ambushed an army unit en route to inspect a telecommunications repeater just outside Sindhuli District headquarters, 70 kilometers east of Kathmandu. The Maoists hung two soldiers, while three were able to escape, one with minor injuries.
- -- August 1, Maoists shot a police officer in Bhairahawa, a border town in south-central Nepal, while he was inspecting damage caused by flooding.
- -- August 2, five students abducted five months ago from their schools in Khotang District, in eastern Nepal, escaped from a Maoist training camp.
- -- August 3, Maoists and an army patrol reportedly exchanged fire in Dailekh District, in Nepal's mid-west, killing one Maoist guerrilla and injuring six others. The army took nine into custody and confiscated improvised explosives, bullets, and political documents.
- August 3, Maoists abducted seven civilians cutting timber in Udaypur District in Nepal's eastern hills.
- -- August 3, Maoist cadres in Taplejung, in Nepal's far-east, took over USD 300 from a village secretary intended for distribution to the elderly and widows.
- -- August 4, insurgents abducted a police officer and his brother returning from a rural post in Ramechap, a district 60 kilometers east of Kathmandu. The brother was released after a severe beating.
- -- August 5, the press reported a Maoist ambush of a combined army and police patrol in Panchthar District in Nepal's The attack killed five and injured 28 others.
- -- August 5, Maoists reportedly attacked security forces on patrol in Dailekh District in Nepal's mid-west. No casualty figures were provided; however, Maoists were quoted with saying that their cadres have been ordered to attack government forces that move outside a 5-kilometer radius of their barracks. (Note: The Maoist negotiators claim, and

the government disputes, that the 5-kilometer restriction was agreed to at the second round of peace talks. End note.)

Threats to Americans

- 13. (U) On August 2, a group of American Christian students volunteering with Global Roots of Boston were approached by a group of Maoists in Nuwakot District immediately north of Kathmandu. The Maoists lectured the group for over an hour with a speech that included anti-American and anti-Bush sentiments. The Maoists stated that they would not hold American policies against the students, but the Maoists demanded each of the students to pay a USD 5 fee (which they did). Carole Lester, the group's coordinator, quoted the Maoists as saying, "This is our area. We are in control. If you were not students, we would have charged you USD 50 per person. If you had been affiliated with an NGO (non-governmental organization), you would have been charged 50 percent of the development costs." The students were building an extension to a village school with USD 5,000 raised in the U.S. Lester reported that after this encounter, the group pulled out of the project and left Nuwakot the next morning. (Note: The RSO had briefed the coordinator before they departed for Nuwakot, urging them to reconsider. End note.)
- 14. (U) The local press reported that at a press conference on August 5, a Maoist leader of the Rasuwa, Nuwakot, and Sindhupalchok Districts accused USAID of funding the construction of four churches in the three districts in order to proselytize. He alleged that USAID has attracted more than five thousand Hindus to Christianity. (Note: Prosylitizing is prohibited by Nepali law, although people may voluntarily pursue a change in faith. End note.)

Australian-affiliated Projects Harassed

- 15. (SBU) Maoist aggressiveness is not limited to the U.S. For example, the Australian Embassy reported to the DCM two recent Maoist threats to Australian-affiliated projects. In Kavre District, adjacent to Kathmandu to the east, an Australian project vehicle was stopped by gun and grenade toting Maoists who demanded a ride; against security guidelines, the driver did so. This event has put at risk Australia's 20 year-old commercial forestry projects in Kavre and Sindhupalchok (northeast of Kathmandu) Districts. Australian project vehicles will no longer be allowed to travel through these districts, and all project management will be confined to Kathmandu. The Australian Embassy will reassess the security conditions in a couple of weeks and adjust or cancel the program as necessary.
- 16. (SBU) In Rasuwa District, a district north of Kathmandu on the Chinese border, the Australian Embassy reported that an Australian who heads a Seventh-Day Adventist NGO has negotiated repeatedly with Maoist representatives to avoid paying extortion. The Australian has had to travel to the district on five occasions to participate in these discussions, with one of the sessions lasting five hours. To date, the group has reportedly avoided paying the Maoists. However, in the last session the Maoists stated that if the effort had been affiliated with the U.S., they would not have entertained negotiations and would have just shutdown the project. In addition to these two incidents, the Australian Embassy reported that the Maoist extortion has become more aggressive in both Kavre and Sindhupalchok Districts.

Comment

- 17. (C) Maoist Violations: If Maoist statements that they are unilaterally enforcing the supposed 5-kilometer restriction are true, Post expects there will be more attacks in coming days. The Maoists' rampant violations of the code-of-conduct are not matched by the government, which has refrained from retaliating against Maoist violations for fear of providing the Maoists with a pretext for breaking the cease-fire. The heightened levels of violence appear to be a Maoist tactic to pressure the government to concede to the 5-kilometer restriction on the movement of security forces in the upcoming peace talks. In view of previous government statements on this issue (ref B), it is unlikely the government will agree to this restriction.
- 18. (SBU) Maoist Threats to Americans: The threats to Global Roots volunteers confirms reports of Maoist threats to American-associated groups in Nuwakot District (ref B). The alleged demand for a 50 percent cut of NGO project funds is a new element that, if adhered to on a national scale, will certainly restrict the efforts of USG development programs and the work of many privately-funded American organizations. Post will propose language for an amended Public Announcement after conferring with USAID development partners

and other diplomatic missions regarding their recent experiences with the Maoists. End Comment. ${\tt MALINOWSKI}$